

**YUKON DELTA FISHERIES DEVELOPMENT  
ASSOCIATION  
COMMUNITY DEVELOPMENT QUOTA  
FOURTH QUARTER REPORT  
OCTOBER 1 – DECEMBER 31, 2005**

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## **I. QUARTERLY HIGHLIGHTS: October - December 2005**

- YDFDA's Board of Directors meeting and training in Anchorage
- YDFDA Village Representative Training
- YDFDA's 2005 Calendar was mailed to every resident
- GPS and Navigation Training held in Emmonak, Alakanuk and Grayling
- Sponsored Financial and Ethics Training by KPMG in Emmonak
- F/V Lisa Marie fished for IFQ and CDQ king crab with 3 residents aboard
- Kwikpak Fisheries employed 16 employees
- Attended the annual AVCP convention in Bethel
- Attended the AFN convention in Fairbanks
- Met with DCCED to discuss the community mapping project
- Met with Kotlik residents to discuss the Kotlik Community plan;
- Met with Glenn Haight to provide feedback on a potential Seafood Innovation Training Project
- Traveled to Nunam Iqua with the APU student to present final recommendations to the corporation Board president and store manager
- Attended the RurALCAP Foundation Board meeting
- Traveled to St. Mary's to present the scholarship program to high school seniors
- Ran ads in the Tundra Drums and Delta Discovery on our Scholarship Program;
- Met with Alaska Works Partnership and LYSD to begin planning for the 2006 Construction Academy
- Attended NPFMC Meetings

## **II. COMMUNITY DEVELOPMENT**

### **A. PROGRESS TOWARD GOALS, OBJECTIVES, MILESTONES**

#### ***PROPOSED FOR-PROFIT PROJECTS***

##### **ADDITIONAL INVESTMENT IN GOLDEN ALASKA**

1. Provide a minimum return on investment of 8%.

This milestone was met. See confidential issues.

2. Acquire additional mothership pollock quota.

See Confidential Issues.

3. Add at least one job on each catcher vessel and increase positions on Golden Alaska.

No additional quota has been acquired; therefore there is no activity on this milestone.

4. Increase the production and profitability of the original Golden Alaska investment.

See Confidential Issues.

##### **JOINT VENTURE CRAB VESSEL(S)**

5. Provide an 8% minimum return on investment.

No investment was made in a joint venture crab vessel. Consequently, there was no activity on this milestone.

6. Provide 2 - 4 positions for YDFDA residents.

No investment was made in a joint venture crab vessel. Consequently, there was no activity on this milestone.

##### **JOINT VENTURE LONGLINE C/P VESSEL**

7. Provide an 8% minimum return on investment.

Results of this milestone are pending. See Confidential Issues.

8. Provide 2-4 fishing positions for YDFDA residents.

Results of this milestone are pending. See Confidential Issues.

## SHORESIDE POLLOCK INVESTMENT

9. Provide a minimum return on investment of 8%.

No investment was made in shoreside pollock. Consequently, there was no activity on this milestone.

10. Provide jobs on each catcher vessel plus opportunity for jobs at shoreside plants.

No investment was made in shoreside pollock. Consequently, there was no activity on this milestone.

11. Acquire additional non-CDQ pollock quota.

See Confidential Issues.

12. Diversify pollock investment to other sectors.

See Confidential Issues.

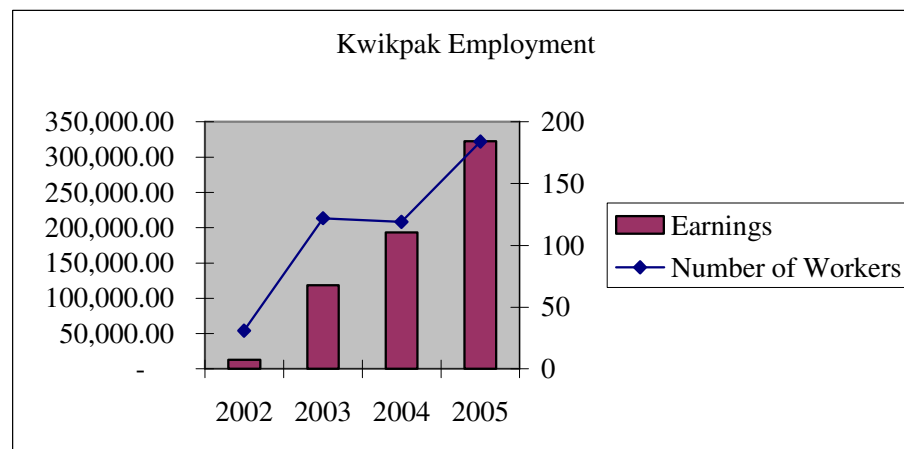
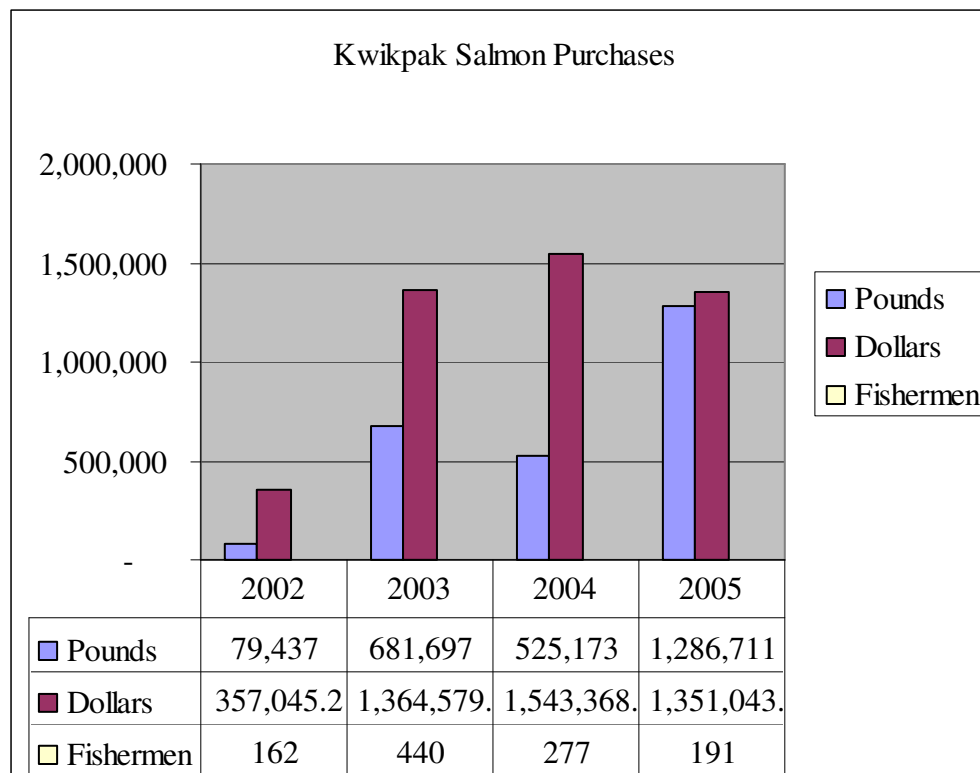
## ***ACTIVE FOR-PROFIT PROJECTS***

### MAJOR FISH BUYER ON THE YUKON

13. Continue working to develop domestic market for Yukon king salmon.

YDFDA utilized a seafood broker for the June/July Yukon Chinook fishery that specifically targeted the domestic fresh salmon market. That broker distributed information on Yukon River salmon to at least one hundred of its domestic clients. YDFDA set up a website for its salmon subsidiary, Kwipak Fisheries, to promote Yukon River salmon. YDFDA continued to send samples of its smoked product to potential customers. YDFDA brought together the salmon processors on the Yukon River and now those processors are working together to formulate a plan that promotes Yukon River salmon. YDFDA received a twenty thousand dollar grant from the State of Alaska DCED to promote Yukon salmon.

Kwipak Fisheries has had a major impact on the lives of our residents. The following charts show the number of people impacted either as fishermen or Kwipak employees and the dollars infused into the local economy over the last 4 seasons.



For additional details, see [Confidential Issues](#).

14. Recognizing that returns of Chinook are from poor returns of brood year fish, YDFDA will continue toward the goal of break even or minimal profits for Kwikpak Fisheries.

YDFDA recognizes that the 2005 and 2006 returns of salmon to the Yukon are returns from two brood years that had extremely poor returns. State and Federal managers have informed fishermen and processors that they will manage very conservatively the returns from these years. Under these circumstances, YDFDA is working to ensure a market for Yukon River salmon that is not dependent on the frozen Japanese market and to provide a market for salmon that are not able to go into the domestic fresh or frozen Japanese market. (An example of this would be smoked or value-added markets.) In June YDFDA through Kwikpak Fisheries began a first time shipment of fresh Yukon Chinook into a new Japanese fresh market, this successful project has already resulted in increased orders for 2006.

In addition, we will provide regional job opportunities to residents and most importantly provide the best possible ex-vessel price to Yukon River fishermen while still generating a break even or minimal profit for the subsidiary, Kwikpak Fisheries.

In the past year, Kwikpak Fisheries has invested large amounts of capital, and has received infrastructure grant money from the State of Alaska to address the growing percentage of product that is sold to Kwikpak Fisheries. These expenditures will not be as great in the near future and it is YDFDA's intention that Kwikpak break even or generate a minimal profit under the aforementioned circumstances.

#### INVESTMENT IN GASLLC, LLC

15. Provide ownership in M/V Golden Alaska on risk free basis.

Purchase of ownership in M/V Golden Alaska is financed through a non-recourse note that is payable from profits of the M/V Golden Alaska.

16. Arrange for harvest processing of CDQ Pollock at a competitive royalty.

See Financial Statements

17. Provide a minimum of 25 processor jobs on Golden Alaska during A Season.

32 Yukon Delta residents were aboard the Golden Alaska during the first quarter. 16 were first time trainees, 16 were returning crew.

18. Provide a minimum of 15 processor jobs on Golden Alaska during B Season.

14 Yukon Delta residents were aboard the Golden Alaska during the second quarter. 8 were first time trainees, 6 were returning crew.

12 Yukon Delta residents were aboard the Golden Alaska during the third quarter. 2 were first time trainees, 10 were continuing from the second quarter.

19. Provide 1 – 2 jobs on non-YDFDA owned catcher vessels fishing for Golden Alaska.

Position are available on non-YDFDA owned catcher vessels, however at this time we haven't identified any qualified residents to take advantage of these positions.

#### F/V LISA MARIE

20. Provide 2 – 3 fishing positions for Yukon Delta residents.

5 Yukon Delta residents were aboard the F/V Lisa Marie during the first quarter fishing for Dungeness crab. 2 were first time trainees, 3 were returning from last year.

3 Yukon Delta residents were aboard the F/V Lisa Marie during the second quarter fishing for sablefish and halibut. 2 were first time trainees, 1 was continuing from last quarter.

6 Yukon Delta residents were aboard the F/V Lisa Marie during the third quarter fishing for halibut and black cod. 2 were first time trainees, 4 were continuing from previous quarters.

3 Yukon Delta residents were aboard the F/V Lisa Marie during the fourth quarter fishing for IFQ and CDQ king crab. 1 was a first time trainee, 2 were continuing from previous quarters.

21. Provide Yukon Delta residents with long-term crew shares.

Crew shares earned to date: \$219,099.40  
YDFDA Training wages to date: \$62,828.25

- 22 Return an annual profit of \$100,000.

This milestone was met. See Confidential Issues.

23. Harvest CDQ crab, halibut, sablefish and IFQ halibut and sablefish.

In the 1<sup>st</sup> quarters the F/V Lisa Marie harvested Dungeness crab.

In the 2<sup>nd</sup> quarter the F/V Lisa Marie harvested sablefish and halibut.

In the 3<sup>rd</sup> quarter the F/V Lisa Marie harvested CDQ and IFQ halibut and black cod.

In the 4<sup>th</sup> quarter the F/V Lisa Marie harvested IFQ and CDQ king crab.



INVESTMENT IN ALAKANUK BEAUTY, LLC & EMMONAK LEADER, LLC

24. Provide a minimum rate of return of 10% to YDFDA.

This milestone was met. See Confidential Issues.

25. Provide 2 – 4 catcher vessel jobs for residents.

1 resident was aboard the F/V Ocean Leader

1 resident was aboard the F/V American Beauty

Crew shares earned to date: \$174,386.51

YDFDA Training wages to date: \$48,744.37

26. Harvest a portion of YDFDA's pollock CDQ

The F/V American Beauty and F/V Ocean Leader harvested approximately 40% of CDQ Pollock in the Bering Sea during both the "A" and "B" pollock seasons.

27. Build long-term, non-CDQ access to Bering Sea resources.

The majority of the harvest and income for these vessels is derived from their catch history and the American Fisheries Act. Each has a long term history of approximately 6% of the offshore mothership quota and smaller amounts of shoreside Pollock.

ROMANZOF FISHERIES, LLC

28. Provide a minimum return on investment of 10%.

Results of this milestone are pending.

29. Provide up to 2 positions to YDFDA residents.

We continued our attempt to recruit people from both CDQ and non-CDQ villages. We have found it difficult to find residents interested in non-pollock processing job opportunities.

30. Help ensure that 100% of CDQ Pacific cod, crab and sablefish are harvested.

The C/P Baranof harvested CDQ Pacific cod and CDQ Bristol Bay Red King Crab during the 4<sup>th</sup> quarter.

31. Harvest non-CDQ Pacific cod, crab and sablefish.

The C/P Baranof harvested open access Pacific cod and operated in the IFQ Crab fisheries during the 4<sup>th</sup> quarter.

#### IFQ SHARE PURCHASES

32. Purchase sablefish and halibut IFQ shares. YDFDA purchased additional 4A Halibut IFQ during the quarter

YDFDA continues to look for opportunities to purchase additional IFQ sablefish, halibut and crab quota shares. See Confidential Issues.

33. Provide additional royalty income to YDFDA which will provide a minimum of 6% return on investment.

See Confidential Issues.

34. Provide increased fishing time and vessel profits to Lisa Marie and/or the C/P Baranof that in turn provides longer fishing time for residents.

The F/V Lisa Marie fished IFQ and CDQ king crab in the 4<sup>th</sup> quarter with 3 residents onboard.

#### AKULURAK, LLC

35. Provide a minimum return on investment of 8%.

Results of this milestone are pending.

36. Provide up to 2 positions to YDFDA residents.

We continued our attempt to recruit people from both CDQ and non-CDQ villages. We have found it difficult to find residents interested in non-pollock processing job opportunities.

37. Help ensure that 100% of CDQ Pacific cod and crab are harvested.

The C/P Courageous harvested additional CDQ “B” season Pacific cod in the 4<sup>th</sup> quarter and leased it’s crab quota to the Baranof.

38. Harvest open access Pacific cod, crab and CDQ species.

The C/P Courageous harvested open access Pacific cod in the 4<sup>th</sup> quarter and leased its IFQ Bristol Bay King Crab to the C/P Baranof for a royalty fee.

#### LLC 2156 CRAB FISHING RIGHTS

39. Provide a minimum return on investment of 8%.

Plans have been made to have this quota fished during the 4<sup>th</sup> quarter once crab rationalization begins.

40. Provide up to 2 fishing positions for YDFDA residents.

We have found it difficult to find residents interested in non-pollock processing job opportunities.

41. Provide added fishing time to owned/partner fishing vessels

Plans have been made to have this quota fished during the 4<sup>th</sup> quarter once crab rationalization begins.

### ***PROPOSED NON-PROFIT PROJECTS***

#### **CULTURAL TOURISM – FISH CAMP EXPERIENCE**

42. Contact adventure tour and specialty tour companies like Alumni Association Tours. Seek advice and support from Alaska Wilderness Recreation and Tour Association. Complete marketing analysis (likely to be contracted out to consultant familiar with remote tour operations). Identify willing residents and support staff. Select fish camp sites. Develop a business plan that integrates marketing, accommodations, transportation and other cultural activities. Develop a web site. Provide training for staff and host families.

Phase II of the Cultural Camp Feasibility study was presented to the YDFDA Board of Directors by the McDowell Group at the Board meeting in April.

#### **VESSEL SAFETY AND NAVIGATION**

43. Provide Vessel Safety, First Aid and Navigation Training annually to Yukon Delta residents.

GPS and Navigation Training was provided by AVTEC. This training was available to residents of all six villages. A total of 29 residents participated in this training.

44. Provide offshore vessel safety certification.

GPS and Navigation Training was made available to all residents. This was done in the hopes that when individuals progress to offshore catcher vessel positions, this training would be beneficial to them in making the transition.

## ***ACTIVE NON-PROFIT PROJECTS***

### **COMPREHENSIVE JOBS**

45. Place up to 85 Yukon Delta residents in jobs in offshore fisheries.

#### **1<sup>st</sup> Quarter**

32 residents were aboard the M/V Golden Alaska processing Pollock  
1 resident was aboard the F/V American Beauty fishing for Pollock  
1 resident was aboard the F/V Ocean Leader fishing for Pollock  
5 residents were aboard the F/V Lisa Marie fishing for crab  
1 resident was aboard the F/T Seafreeze processing bottom fish  
3 residents were aboard American Seafoods' vessels Jaeger and Hawk processing Pollock

#### **2<sup>nd</sup> Quarter**

14 residents were aboard the M/V Golden Alaska processing Pollock  
1 resident was aboard the F/V American Beauty fishing for Pollock  
1 resident was aboard the F/V Ocean Leader fishing for Pollock  
3 residents were aboard the F/V Lisa Marie fishing for crab  
1 resident was aboard the F/T Seafreeze processing bottom fish  
2 residents were at Peter Pan Seafoods' Dillingham facility processing salmon  
1 resident was at Icicle Seafoods' Seward facility

#### **3<sup>rd</sup> Quarter**

12 residents were aboard the M/V Golden Alaska processing Pollock  
1 resident was aboard the F/V American Beauty fishing for Pollock  
1 resident was aboard the F/V Ocean Leader fishing for Pollock  
6 residents were aboard the F/V Lisa Marie fishing for halibut and black cod  
2 residents were at Peter Pan Seafoods' Dillingham facility processing salmon  
2 residents were aboard the F/T Seafreeze processing bottom fish  
2 residents participated in the Norton Sound Crab fishery

#### **4<sup>th</sup> Quarter**

There was no activity in the 4<sup>th</sup> quarter for the M/V Golden Alaska, F/V American Beauty or the F/V Ocean Leader  
3 residents were aboard the F/V Lisa Marie fishing for IFQ and CDQ king crab  
2 residents were aboard the F/T Seafreeze processing bottom fish

### **VOCATIONAL TRAINING**

46. Provide up to 20 Yukon Delta residents with vocational training.

#### **1<sup>st</sup> Quarter**

3 residents continued vocational training programs at AVTEC  
1 resident continued vocational training at Seattle Community College

13 residents participated in the Haz-Mat Training class put on by Pacific environmental Corporation

1 resident continued vocational training at Trend Setters

1 resident continued vocational training at Aero-Tech Flight Service

1 resident continued vocational training at Yuut Yaqungviat flight school

#### 2<sup>nd</sup> Quarter

2 residents completed vocational training programs at AVTEC

1 resident continued vocational training at Trend Setters

1 resident graduated from vocational training at Yuut Yaqungviat flight school

13 residents participated in the Construction Training Academy in St. Mary's

#### 3<sup>rd</sup> Quarter

4 residents began vocational training programs at AVTEC

1 resident began vocational training at Yuut Yaqungviat flight school

1 resident began vocational training at Aero Tech Flight School

1 resident continued vocational training at Seattle Community College

#### 4<sup>th</sup> Quarter

2 residents began vocational training programs at AVTEC

4 residents continued vocational training programs at AVTEC

1 resident continued vocational training at Yuut Yaqungviat flight school

1 resident continued vocational training at Aero Tech Flight School

1 resident continued vocational training at Seattle Community College

12 residents participated in Financial & Ethics Training put on by KPMG

29 residents participated in GPS Navigation Classes put on by AVTEC

47. Provide 1 training class for the Board of Directors.

YDFDA's annual Board of Directors training was held August 29, 2005 in Anchorage. Lesa Sroufe, President and Chief Investment Officer, Lesa Sroufe & Co., Inc., gave a presentation titled "Basics for Building an Investment Program". Additional information can be found in Confidential Exhibit C.

48. Provide 1 training class for Village Representatives.

Village Representative training was held in December. Guest speakers were Karen Conrad, Human Resources Director, golden Alaska and Ruth St. Amour, Community Development Specialist, State of Alaska, DCCED. Minutes from the training session are attached in Confidential Exhibit C.

## SCHOLARSHIPS

49. Provide up to 20 residents with scholarships.

16 scholarships were funded in the 1<sup>st</sup> quarter

5 scholarships were funded in the 2<sup>nd</sup> quarter

35 scholarships were funded in the 3<sup>rd</sup> quarter

6 scholarships were funded in the 4<sup>th</sup> quarter

50. Provide a maximum of 10 residents with “B” scholarship per year (regional, non-CDQ residents).

3 “B” scholarships were funded in the 1<sup>st</sup> quarter

No “B” scholarships were funded in the 2<sup>nd</sup> quarter

6 “B” scholarships were funded in the 3<sup>rd</sup> quarter

No “B” scholarships were funded in the 4<sup>th</sup> quarter

51. Contribute \$200,000 annually (this is a \$50,000 increase) to Yukon Delta Education Fund (includes “B” Scholarship program).

\$150,000 was contributed to the Yukon Delta Education Fund in 2005.

52. Receive Fishery Tax Credit Contributions in excess of \$150,000.

Contributions in excess of \$150,000 were received in 2005.

#### INTERNSHIPS AND APPRENTICESHIPS

53. Place up to 6 residents as crew on catcher vessels.

2 residents participated in the catcher vessel internship program aboard the F/V American Beauty and F/V Ocean Leader.

To date, 10 residents have participated in the catcher vessel internship program aboard the F/V Lisa Marie in 2005.

54. Place 3-5 residents as interns in private companies.

1 resident was employed in an accounting internship at Kwikpak Fisheries in Seattle.  
5 residents were employed as technicians operating test nets with the Department of Fish and Game in Emmonak.

#### RURAL DEVELOPMENT SPECIALIST

- 55 YDFDA's Rural Development Specialist works with the YDFDA Board of Directors, regional communities (tribal, city and village corporations) on issues ranging from local and regional planning, community and economic development projects and job training for private and public construction.

October

- Participated in the annual AVCP convention in Bethel and provided a report to the delegates;
- Attended the AFN convention in Fairbanks;
- Met with Mike Orr of Financial, Inc.;

November

- Met with Ruth St. Amour of the State - DCCED to discuss the community mapping project;
- Met with Robert Okitkun of Kotlik and Anthony Caole to discuss the Kotlik Community plan;
- Met with Glenn Haight to provide feedback on a potential Seafood Innovation Training Project;

December

- Traveled to Nunam Iqua with the APU student to present final recommendations to the corporation Board president and store manager;
- Participated in the quarterly YDFDA Board meeting;
- Participated in the RurALCAP Foundation Board meeting;
- Met with Ruth St. Amour to discuss timeline for the community mapping project;
- Participated in the community representative training;
- Traveled to St. Mary's to present the scholarship program to high school seniors;
- Completed the newspaper ads to run in the Tundra Drums and Delta Discovery advertising the Scholarship Program;
- Met with Mike Andrews of Alaska Works Partnership and Alex Russin of LYSD to begin planning for the 2006 Construction Academy;

## ALUMINUM BOAT FABRICATION AND REPAIR

56. Continue to operate shop for small vessel construction and repairs.

During the 1<sup>st</sup> quarter 6 new skiffs were completed.

During the 2<sup>nd</sup> quarter 5 new skiffs were completed. In addition, repair work was completed on a number of skiffs in preparation for the herring and salmon seasons.

During the 3<sup>rd</sup> quarter 5 new skiffs were completed. In addition, numerous repairs were completed on a number of skiffs in preparation for the salmon season.

During the 4<sup>th</sup> quarter 5 new skiffs were completed. . In addition, numerous repairs were completed on a number of skiffs.

57. Expand production to include aluminum ATV trailers and sleds.

Due to the overwhelming interest in the purchase of aluminum skiffs, skiff production and repair has taken precedence over trailer and sled production. Two sleds were built and are currently being shown in the villages, feedback is being received. An aluminum ATV trailer was designed and purchased and is currently being shown in a couple of the communities to obtain feedback on the design and to gauge the amount of interest in that design. Sleds and trailers will only be built when purchase offers are received from customers.

58. Considering the leasing or building of a larger facility for vessel construction and repair.

YDFDA continues skiff construction at Emmonak through its subsidiary Yukon Marine Manufacturing, LLC. This is done at a shop we purchased from the Co-op. YDFDA terminated the lease for the shop that was previously being used at Alakanuk. YDFDA has included in its 2006-2008 CDP a plan to build a welding shop and fishing support center in Alakanuk.

59. Provide employment for 1 – 4 welders annually depending upon demand.

5 residents were employed at the welding shop during the 1<sup>st</sup> quarter.

9 residents were employed at the welding shop during the 2<sup>nd</sup> quarter.

10 residents were employed at the welding shop during the 3<sup>rd</sup> quarter.

9 residents were employed at the welding shop during the 4<sup>th</sup> quarter.

## NORTON SOUND HERRING AND CRAB FISHERIES

60. Diversify local fishing from salmon into other fisheries.

YDFDA continues to attempt to diversify local fishing efforts from salmon to other fisheries. YDFDA, through Kwipak Fisheries, continues to search for markets for Arctic lamprey in 2005 and is currently working with a Japanese exporter to find a Japanese market for lamprey. Kwipak is also searching for markets for other undeveloped local species including various whitefish, snails, shrimp and clams. Kwipak has acquired the needed permits from ADF&G to engage in a small, experimental whitefish fishery. They processed and sold several thousand pounds in the fall of 2005.

61. Help secure a market for 31 herring permit holders and 16 crab permit holders.



YDFDA came to an agreement with a herring processor to ensure YDFDA herring fishermen in Norton Sound would have a market for their herring in 2005. Because of this agreement, YDFDA fishermen had a market for their herring this spring. Herring fishermen from both CDQ and non CDQ villages participated in this successful herring season. YDFDA, working with NSEDC, ensured there would be a market for fishermen from the Yukon participating in the commercial Norton Sound crab fishery in 2005.

One Yukon Delta resident participated in the Norton Sound crab fishery.

62. Assist 4 resident herring fishermen in purchasing reels and shakers annually.

YDFDA reached an agreement with a processor to ensure that there was a market for Norton Sound herring this spring. YDFDA provided a net reel and shaker to one herring fisherman as an upgrade so that fisherman could participate in the Norton Sound herring season.

63. Assist resident crab fishermen in purchasing davits, blocks and pots.

YDFDA has overhauled a vessel and that vessel is participating in the 2005 Norton Sound crab fishery crewed by fishermen from Kotlik. YDFDA has made gear available and is ready to assist any local fishermen to ensure that they are able to fish crab in Norton Sound.

#### LOAN GUARANTEES

64. Familiarize residents with the risks and advantages of participating in YDFDA's loan guarantee program.

We were unable to schedule a representative from the Division of Investments to make presentations on the loan guarantee program in the 4<sup>th</sup> quarter. This has now been scheduled for February 2006.

65. Provide loan guarantees to qualified applicants for the purchase of Yukon River salmon, Cape Romanzof herring, and Norton Sound herring limited entry permits.

In the 3<sup>rd</sup> and 4<sup>th</sup> quarters, YDFDA assisted in the sale of a Yukon River salmon permit to one resident. Sales of three additional permits are pending.

66. Provide loan guarantees to qualified applicants to purchase fishing gear and vessels.

There was no activity on this milestone in the 4<sup>th</sup> quarter.

#### TEST FISHERIES AND DEVELOPMENT

67. Work with fishermen to locally harvest CDQ halibut allocation by 2005.

With our newly expanded salmon operations taking up time and effort we felt it would be prudent to delay for a summer the exploration and development of a near shore halibut fishery.

68. Diversify local fishing from salmon into other species, including underutilized local species such as lamprey, cisco, in-river whitefish and shellfish.

YDFDA, through Kwipak Fisheries, has contacted fishermen to provide samples of various whitefish, snails and clams to research market acceptability. Kwipak is utilizing both its domestic and Japanese marketers in efforts to find markets for these underutilized species.

YDFDA has received the necessary permits to prosecute an exploratory commercial fishery for Bering Cisco and broad white fish. This fishery took place in October. Both these species of white fish have not been fish commercially before.

69. Provide employment to residents through fishing, processing and shipping of other species.

YDFDA secured a market to provide commercial fishing opportunities for lamprey the fall of 2005. YDFDA's subsidiary, Kwipak Fisheries, provided equipment to fishermen in Mountain Village and Grayling to prosecute the fisheries. For a variety of reasons, including late freeze-up at Mountain Village and the jumbled nature of the freeze-up of the Yukon River at Grayling, fishermen were unable to harvest lamprey in quantity. Consequently, very few fishermen were able to take advantage of this opportunity.

YDFDA received the necessary permits to prosecute an exploratory commercial fishery for Bering Cisco and broad white fish. The fishery took place in October. Fishermen from Alakanuk, Emmonak and Nunam Iqua were able to commercially harvest limited amounts of these species for the first time. Kwipak Fisheries is using the fish caught commercially for market research. This includes fresh, fresh frozen and smoked products. It appears that at least one market was found to provide for a continued commercial fishery next year. Both these species of white fish have not been fished commercially before.

70. Provide additional source of product to salmon buying operation

YDFDA, through Kwipak Fisheries, has plans to use the newly refurbished building that was previously utilized for the fly out fresh salmon operation to package and prepare for shipping any underutilized species a market is found for.

REGIONAL FISHERIES ECONOMIC DEVELOPMENT

71. Fund individuals, communities and organizations that promote development opportunities in the lower Yukon.

YDFDA provided \$15,382 for the installation of protective fencing to protect the fill and dispense lines at the Grayling tank farm facility.

YDFDA continued to provide funds for fishermen from the lower Yukon River districts to participate in the NPFMC discussions and actions regarding salmon bycatch in marine waters.

YDFDA continues to fund meetings of all the processors on the Yukon River to meet and try to develop a Yukon River marketing strategy for Yukon River salmon.

YDFDA expended funds to meet with fishermen and other entities from Mountain Village in District 2 of the Yukon to try and address concerns for the continued purchase and marketing of District 2 salmon.

YDFDA makes an annual contribution to village entities for local needs. Maximum annual contribution per village is \$2,500.

#### 2005 Donations

City of Alakanuk Search & Rescue	\$2,500
Emmonak Women's Shelter	\$1,000
Emmonak Schools	\$2,160
Grayling Search & Rescue	\$2,500
Kotlik Tribal Youth Council	\$500
Kotlik Search & Rescue	\$2,000
Mtn. Village Asaacsarmiut Dancers	\$2,500
Sheldon Point School Special Olympics	\$2,500

### ***ACTIVE INFRASTRUCTURE PROJECTS***

#### **LOWER YUKON REGIONAL SALMON QUALITY**

72. Introduce and continue instructing salmon quality techniques to fishermen on the Yukon River.

YDFDA, through Kwikpak Fisheries, began a program that encouraged the use of ice during the spring King season. Participation by fishermen was minimal. During the fall chum fishery, Kwikpak paid a 20 % bonus to those fishermen who both iced and bled their catch. Numerous fishermen participated, not just for the extra 5 cents, but for the personal pride in doing so. The quality of their salmon was far above those who did not participate. Kwikpak is considering a mandatory icing and bleeding policy for 2006. This policy is now becoming the standard in the industry.

Kwikpak Fisheries is currently collecting photographs from this summer's pack to be used as instructional posters showing the proper methods of handling fish. It is expected that these posters will be used in future meetings with fishermen.

73. Build into Yukon Salmon Regional Marketing.

In February 2004, Kwikpak Fisheries received an Alaska Salmon Marketing Grant in the amount of \$197,000. The grant is to assist in the creation of new markets and product lines, product labeling, packaging and advertising.

YDFDA continues to fund meetings for interested processors on the Yukon River. The purpose of these meetings is to form a Regional Marketing Association for the Yukon. YDFDA provided funding for a web site established for the regional processors. "Yukon Wild Salmon" at <http://www.yukonriverwild.org/buyyukonsalmon.htm> which represents:

Boreal Fisheries [www.borealfish.com](http://www.borealfish.com)

Interior Alaska Fish Processors [www.santassmokehouse.com](http://www.santassmokehouse.com)

Kwik'pak Fisheries [www.yukonriverkings.com](http://www.yukonriverkings.com)

Rivergold Salmon Roe Caviar [www.rivergoldsalmon.com](http://www.rivergoldsalmon.com)

Yukon King Seafoods [www.yukonking.com](http://www.yukonking.com)

In the second quarter Kwikpak Fisheries secured the services of a public relations firm and domestic and international seafood brokers to ensure that the 2005 harvest of Yukon kings would have every opportunity for making fresh sales. These efforts proved very successful. We found 54 new buyers for our fresh Yukon salmon in Japan. These buyers also purchased a substantial portion of our 2004 inventory and our 2005 fall chum production as well. Our current inventory is committed to existing sales and developmental needs.

Copies of some of the publicity we received in the 2005 season have already been forwarded under separate cover. In addition, we secured our spot for the 2006 Boston Seafood Show. We will also assist, and participate with, our export broker, Zone International, during the 2006 Food Ex Show in Japan.

Kwikpak's website can be accessed through [www.yukonriverkings.com](http://www.yukonriverkings.com).

***ACTIVE FUND/CASH MANAGEMENT PROJECTS***

**RESERVE FUND**

74. To maintain Reserve Funds adequate to mitigate the effects of a downturn in the fishing industry, preserve capital, provide investment return and liquidity.

Adequate reserve funds are being maintained.

75. At a minimum have one year's operational expenses covered by Reserve Fund.

In excess of one year's operational expense are held in reserve.

## ***ADMINISTRATIVE EFFORTS***

### **ADMINISTRATION BUDGET**

76. YDFDA board review on a quarterly basis to ensure that Board and administration expenses remain below 20% of projected income (income defined as royalty, income from joint venture investments and investment income).

See Financial Statements.

77. YDFDA Board reviews administrative expenses on a quarterly basis and adjustments made as necessary to keep expenses below the 20% threshold.

See Financial Statements.

## **B. OUTREACH**

YDFDA's scholarship program includes non-CDQ villages in the region. This includes non-CDQ villages on the Yukon River between Grayling and Mt. Village, which are included in the Lower Yukon and Iditarod School Districts. The Scholarship Committee met in January to approve scholarship recipients for the 2005 spring semester.

In addition to scholarships, YDFDA is also accepting applications for employment in the fishing industry from non-CDQ villages on the lower Yukon River.

For the third year in a row, Kwipak Fisheries donated salmon to the school lunch programs in the Lower Yukon and Iditarod School Districts. This was a total of 10,950 pounds of chum salmon. The villages that received the salmon in the Lower Yukon School District were Alakanuk, Emmonak, Hooper Bay, Kotlik, Marshall, Mtn. Village, Nunam Iqua, Pilot Station, Pitka's Point, Russian Mission and Scammon Bay. The villages that received the salmon in the Iditarod School District were Grayling, Shageluk and Anvik. This year the schools in the St. Mary's School District were included in the school lunch program.

Discussions continued in May with District Y2 fishermen to address the problems of marketing district Y2 salmon. In June, YDFDA, through Kwipak Fisheries,

purchased salmon offered for sale from district Y2 fishermen at our operations out of Mountain Village.

YDFDA once again hosted and provided funds for all the salmon processors on the Yukon River to meet and try to develop a plan to market Yukon River salmon.

Development of YDFDA's web page is now complete. It can be accessed at [www.YDFDA.org](http://www.YDFDA.org). It provides information on YDFDA, its subsidiaries, employment and training opportunities and applications, and scholarship programs.

In this fourth quarter, the villages of Nunam Iqua and St. Mary's were visited. Planning for the 2006 Construction Academy got underway. Monthly meetings with the State DCCED on the community mapping project have been ongoing. Another letter to the villages requesting their participation in the project was mailed to all village organizations.

Here are some other activities our Rural Development Specialist was involved with:

- ✓ Continue to work with villages on activities as they relate to community or economic development;
- ✓ Involvement in networking through active participation in statewide Boards, including Foraker Operations Board and the RuralCAP Foundation;
- ✓ Continue to work with the UA Foundation in the promotion and distribution of the YDFDA scholarship program to eligible applicants.

Our village representative program continues in all six villages, Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Nunam Iqua. The village representatives work in the communities to provide information regarding employment opportunities and training positions. They also administer drug tests to applicants. They have applications and information for residents interested in the scholarship programs and loan applications from both the Division of Investments and the AVCP Revolving Loan Program.

The attached announcements were posted in the villages during the fourth quarter.

## C. EMPLOYMENT

### 1. EMPLOYMENT DATA FORM – December 31, 2005

	4 <sup>th</sup> Quarter		Year-To-Date	
	People	Wages	People	Wages
Management/Administrative	9	\$170,507.02	9	\$582,101.65
Village Representatives	6	\$7,000.00	7	\$29,077.82
CDQ Pollock				
A Season	--	\$0.00	32	\$487,643.61
B Season	--	\$150,649.69	10	\$150,649.69
Other Fishing	5	\$123,651.25	22	\$373,204.76
Other Employment	25	\$58,768.76	212	\$568,243.89
Internships	1	\$5,805.00	6	\$36,268.56
Total of Rows	46	\$516,381.72	298	\$2,227,189.98
Total Unique Individuals	46	\$516,381.72	298	\$2,227,189.98

### 2. SUMMARY:

- ◆ Management/Administrative – 9
- ◆ Village Representatives – 6 (one from each of the six villages)
- ◆ CDQ Pollock – 0
- ◆ Other Fishing – 5
- ◆ Internships – 1

#### Other Employment

- ◆ YDFDA Welding Program – 9
- ◆ Kwikpak Fisheries – 16

## **NOTES TO EMPLOYMENT DATA FORM:**

Management/Administrative – 9 employees working for YDFDA in Alakanuk, Anchorage, Emmonak, and Seattle. Six employees are or have been residents of YDFDA member villages.

Village Representatives - 6 residents representing YDFDA as Village Representatives, one in each member village.

CDQ Pollock – M/V Golden Alaska out of Dutch Harbor, AK  
No CDQ Pollock was harvested in the 4<sup>th</sup> quarter.

### Other Fishing – 5 residents Total

3 residents trained on YDFDA's F/V Lisa Marie fishing for IFQ and CQ King Crab out of Dutch Harbor. 2 were returning crew, 1 was a first time trainee.

Breakdown by village:        2 residents from Emmonak  
   1 resident from Kotlik

2 residents worked aboard US Seafoods' Seafreeze. They were processing bottom fish out of Adak, AK. Both were returning crew.

Breakdown by village:        2 residents from Emmonak

### Other Employment – 25 residents Total

9 residents were employed at YDFDA's welding facilities in Emmonak. 3 were continuing, 6 were first time employees.

Breakdown by village:        9 residents from Emmonak

16 residents were employed by Kwipak Fisheries in Emmonak. All were continuing from last quarter.

Breakdown by village:        11 residents from Emmonak  
   1 resident from Kotlik  
   4 residents from Mountain Village

### Internships – 1 resident Total

1 resident worked at an accounting internship for Kwipak Fisheries at YDFDA's Seattle office. He is continuing from a previous quarter.

Breakdown by village:        1 resident from Emmonak



## D. TRAINING

### 1. TRAINING DATA FORM – December 31, 2005

	4 <sup>th</sup> Quarter		Year-To-Date	
	People	Expenditure	People	Expenditure
<b>Scholarships</b>				
University of Alaska	36	\$0.00	38	\$118,500.00
Alaska Pacific University	4	\$0.00	4	\$13,000.00
Sheldon Jackson College	0	\$0.00	1	\$2,500.00
Other Institutes	1	\$0.00	5	\$9,500.00
<b>Voc-Tech Classes</b>				
AVTEC and Other Institutions	15	\$11,589.00	51	\$42,375.96
<b>Other Training</b>				
Fisheries Related/GPS	30	\$32,806.89	72	\$90,672.90
Lisa Marie Training Wages	--	\$16,984.67	--	\$62,828.25
Catcher Vessel Training Wages	--	\$5,745.58	--	\$48,744.37
Interns	1	\$12,984.99	6	\$50,362.01
Other –Village Reps/Ethics	18	\$15,230.26	18	\$16,850.51
<b>Other Expenditures</b>				
To Educational Institutes				
Educational Endowment Funds				
Other				
<b>Total</b>	105	\$95,341.39	195	\$455,334.00

### 2. SUMMARY

- ◆ Scholarships – 41
- ◆ Voc - Tech Classes - 15
- ◆ Fisheries Training Expenses – 30
- ◆ Lisa Marie/Catcher Vessel Training Wages – People counted in Fisheries Training
- ◆ Village Rep/Ethics Expenses - 18
- ◆ Internship - 1
- Total – 105

## NOTES TO TRAINING DATA FORM:

### Scholarships/Voc-Tech Classes - 56 Students Total

31 residents were enrolled at the University of Alaska under YDFDA's scholarship program.  
14 were continuing students, 17 were new students.

Breakdown by village:       6 residents from Alakanuk  
                                     13 residents from Emmonak  
                                     6 residents from Kotlik  
                                     6 residents from Mt. Village

5 residents were enrolled at the University of Alaska under YDFDA's "B" scholarship program. 1 was a continuing student, 4 were new students.

Breakdown by village:       1 resident from Pilot Station  
                                     1 resident from Pitkas Point  
                                     2 residents from St. Mary's  
                                     1 resident from Shageluk

3 residents were enrolled at Alaska Pacific University under YDFDA's scholarship program.  
2 were continuing students, 1 was a new student.

Breakdown by village:       2 residents from Kotlik  
                                     1 resident from Mtn. Village

1 resident was enrolled at Alaska Pacific University under YDFDA's "B" scholarship program. Continuing student.

Breakdown by village:       1 resident from St. Mary's

1 resident was enrolled at the Blackfoot Community College under YDFDA's Yukon Delta Education Fund. New student.

Breakdown by village:       1 resident from Mtn. Village

1 resident was enrolled at Yuut Yaquungviat flight school under YDFDA's Yukon Delta Education Fund. Continuing student.

Breakdown by village:       1 resident from Kotlik

1 resident was enrolled at Aero Tech Flight School under YDFDA's Yukon Delta Education Fund. Continuing student.

Breakdown by village:       1 resident from Alakanuk

3 residents were enrolled in AVTEC's Business & Office Technology program in Seward, AK. Continuing students.

Breakdown by village:       2 residents from Alakanuk  
                                     1 resident from Pilot Station

1 resident was enrolled in AVTEC's Facility Maintenance program in Seward, AK  
Continuing student.

Breakdown by village:       1 resident from Alakanuk

1 resident was enrolled in AVTEC's Industrial Electric program in Seward, AK. New student.

Breakdown by village: 1 resident from Mtn. Village

1 resident was enrolled in AVTEC's Applied Health program in Anchorage, AK. New Student.

Breakdown by village: 1 resident from Kotlik

1 resident was enrolled at Seattle Community College in Seattle. Continuing student.

Breakdown by village: 1 resident from Emmonak

1 resident was enrolled at the Center for Employment Education in Anchorage, AK. New Student.

Breakdown by village: 1 resident from Mtn. Village

5 residents were enrolled at the Career Academy in Anchorage, AK. All 5 were new students.

Breakdown by village: 2 residents from Emmonak  
3 residents from Kotlik

Fisheries Training – 30 residents total were involved in YDFDA's fisheries training program.

NOTE: Definition of training program is first time experience.

1 residents were aboard the F/V Lisa Marie as first time trainees fishing for IFQ and CDQ King Crab.

Breakdown by village: 1 resident from Emmonak

29 residents participated in GPS and Navigation Training put on by AVTEC. All 29 were first time trainees.

Breakdown by village: 17 residents from Emmonak  
5 residents from Grayling  
3 residents from Kotlik  
4 residents from Mtn. Village

Other Training – 18 residents total were involved.

12 residents participated in Financial and Ethics Training provided by KPMG.

Breakdown by village: 12 residents from Emmonak

6 residents participated in Village Representative Training

Breakdown by village: 1 resident from Alakanuk  
1 resident from Emmonak  
1 resident from Grayling  
1 resident from Kotlik  
1 resident from Mtn. Village  
1 resident from Nunam Iqua

Internships - 1

1 resident worked at an accounting internship for Kwikpak Fisheries at YDFDA's Seattle office. Continuing internship.

Breakdown by village: 1 resident from Emmonak

### **III. ADMINISTRATION**

#### **A. Board Activities**

Changes in Membership:

YDFDA Board of Directors elections were held in October.

Frank Alstrom, Jr. was re-elected from Alakanuk.  
Billy Charles was re-elected from Emmonak  
Marvin Deacon was re-elected from Grayling  
Max Agayar was elected to the at-large seat from Alakanuk  
Benjamin Kamkoff was elected from Kotlik  
Alexie Walters was elected from Mtn. Village  
Andrea Charlie was elected from Nunam Iqua

The Board of Directors met December 12 & 13, 2005 in Anchorage.

NOTE: Please see Confidential Exhibit C for minutes.

#### **B. State of Alaska Reporting Compliance - None**

#### **C. CDP Amendment Status - None**

05-10YD October, 2005 Purchase IFQ Halibut shares  
Approved.

#### **D. Other Issues - None**

## HARVESTING ACTIVITIES

### A. Pollock & Multi-species Harvest by Quarter/YTD Activities by Target Fishery

**Fourth Quarter Summary Table of all target fisheries as of December 31, 2005**

MS CDQ / PSQ Account Status Report To December 31, 2005													
CDQ Group: YDFDA	Units	Initial Allocation Amount	Transferred In	Transferred Out	Allocation after transfers	1st Qtr*	CDQ / PSQ Catch Reported	YTD Harvest	Percent Harvested	CDQ / PSQ Remaining	Percent Remaining		
CDQ Reserve Category							2nd Qtr	4th Qtr					
BS Pollock	mt	20,699,000	276,000	-5,032,000	15,943,000	6,268,130		9,674,837	15,942,967	100.00%	0.033		
AI Pollock	mt	266,000	266,000	-532,000	0.000					0.000	100.00%		
Pacific Cod	mt	2935,500	5,000	-293,500	2,647,000	1,478,886	122,877	606,546	2,530,855	95.61%	116,145		
BS FG Sablefish	mt	75,640			75,640		38,578	37,062	75,644	100.01%	-0.004		
AI FG Sablefish	mt	55,020		-48,250	6,770	6,056			6,056	89.45%	0.714		
BS Sablefish	mt	20,240		-13,630	6,610				4,372	66.14%	2,238		
AI Sablefish	mt	10,290		-9,750	0.540					0.540	100.00%		
WAI Atka Mackerel 543	mt	270,000		-269,500	0.500					0.500	100.00%		
CAI Atka Mackerel 542	mt	479,340		-479,000	0.340					0.340	100.00%		
EAI/BS Atka Mackerel 541	mt	101,240		-100,300	0.940	0.013		0.031	0.058	0.102	10.85%		
Yellowfin Sole	mt	1836,270	250,000	-2,071,000	15,270	1,212	2,158	0.919	3,263	7,552	49.46%		
Rock Sole	mt	715,000		-663,000	52,000	40,864	0.006	0.295	0.431	41,596	79.99%		
BS Greenland Turbot	mt	40,600		-18,270	22,330	0.026	1.223	3.962	0.008	5,219	23.37%		
AI Greenland Turbot	mt	11,400		-7,750	3,650	2,393				2,393	65.56%		
Arrowtooth Flounder	mt	198,000		-147,000	51,000	7,423	2,399	20,872	3,650	34,344	67.34%		
Flathead Sole	mt	292,600	2,500	-263,500	31,600	16,971	0.197	3,584	2,735	23,487	74.33%		
Other Flatfish	mt	68,380		-41,600	26,780	1,465	0.065	0.070	0.016	1,616	6.03%		
Alaska Plaice	mt	84,000		-83,000	1,000	0.174		0.040	0.214	21.40%	0.786		
BS Pacific Ocean Perch	mt	16,800		-10,630	6,170			0.010	0.010	0.010	0.16%		
WAI Pacific Ocean Perch 543	mt	68,580		-67,000	1,580						1,580		
CAI Pacific Ocean Perch 542	mt	41,040		-40,000	1,040						1,040		
EAI Pacific Ocean Perch 541	mt	41,580		-40,500	1,080						1,080		
Northern Rockfish	mt	N/A				0.122		0.005	0.089	0.216	N/A		
Shortraker Rockfish	mt	N/A				0.158	0.002		0.160	N/A	N/A		
Rougheye Rockfish	mt	N/A				0.010	0.005		0.015	N/A	N/A		
BS Other Rockfish	mt	6,650		-4,510	2,140	0.009		0.122	0.131	6.12%	2,009		
AI Other Rockfish	mt	8,360		-6,700	1,660	0.677		0.026	0.074	7.777	46.81%		
Other Species	mt	N/A			N/A	96,705	12,729	57,111	193,308	N/A	N/A		
PSQ Reserve Category													
Zone 1 Red King Crab	ea	3398		-2,282	1,116			42	42,000	3.76%	1,074		
Zone 1 Bairdi Tanner Crab	ea	19110		-14,210	4,900	43		130	189,960	3.88%	4,710		
Zone 2 Bairdi Tanner Crab	ea	53460		-40,270	13,190					13,190	100.00%		
Opilio Tanner Crab	ea	91106		-60,630	30,476					30,476	100.00%		
Pacific Halibut (mortality)	mt	78,666		-40,800	37,866	5,227	0.474	3,329	12,376	32.69%	25,484		
Chinook Salmon	ea	305		-73,000	232	237		196	433	187%	-201		
Non-Chinook Salmon	ea	441		-106,000	335					335	100.00%		

## Pollock Target Fishery Fourth Quarter 2005

Pollock Target Fishery Harvest Activity Fourth Quarter as of December 31, 2005								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (40%)*	mt	6,377.200	6,268.130				6,268.130	39.316%
B Season (60%)*	mt	9,565.800			9,674.837		9,674.837	60.684%
BS Pollock Total*	mt	15,943.000	6,268.130		9,674.837		15,942.967	100.000%
AI Pollock*	mt	266.000					0.000	
<b>Bycatch</b>								
Pacific Cod	mt	2,647.000	76.737		30.150		106.887	0.670%
BS FG Sablefish	mt	75.640					0.000	0.000%
AI FG Sablefish	mt	6.770					0.000	0.000%
BS Sablefish	mt	6.610					0.000	0.000%
AI Sablefish	mt	0.540					0.000	0.000%
WAI Atka Mackerel 543	mt	0.500					0.000	0.000%
CAI Atka Mackerel 542	mt	0.340					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	0.940	0.004		0.004		0.008	0.000%
Yellowfin Sole	mt	15.270	0.100		0.004		0.104	0.001%
Rock Sole	mt	52.000	39.951		0.079		40.030	0.251%
BS Greenland Turbot	mt	22.330	0.008		0.210		0.218	0.001%
AI Greenland Turbot	mt	3.650			0.000		0.000	0.000%
Arrowtooth Flounder	mt	51.000	2.258		0.885		3.143	0.020%
Flathead Sole	mt	31.600	14.532		0.618		15.150	0.095%
Other Flatfish	mt	26.780	0.981		0.017		0.998	0.006%
Alaska Plaice	mt	1.000	0.174		0.032		0.206	0.001%
BS Pacific Ocean Perch	mt	6.170					0.000	0.000%
WAI Pacific Ocean Perch 543	mt	1.580					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	1.040					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	1.080					0.000	0.000%
Northern Rockfish	mt	0.000					0.000	0.000%
Shortraker Rockfish	mt	0.000					0.000	0.000%
Rougheye Rockfish	mt	0.000					0.000	0.000%
BS Other Rockfish	mt	2.140	0.004		0.007		0.011	0.000%
AI Other Rockfish	mt	1.660					0.000	0.000%
Other Species	mt	N/A	9.197		3.996		13.193	0.083%
<b>PSQ Reserve Category</b>								
Zone 1 Red King Crab	ea	1,116					0	0.000
Zone 1 Bairdi Tanner Crab	ea	4,900					0	0.000
Zone 2 Bairdi Tanner Crab	ea	13,190					0	0.000
Opilio Tanner Crab	ea	30,476					0	0.000
Pacific Halibut (mortality)	mt	37.860	2.356		0.491		2.847	0.000
Chinook Salmon	ea	232	237		196		433	0.027
Non-Chinook Salmon	ea	335					0	0.000

\*After transfer of AI to BS

## Pacific Cod Target Fishery

Pacific Cod Target Fishery Harvest Activity Fourth Quarter as of December 31, 2005								
Species	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (60%)	mt	1,588.200	1402.149	122.877			1,525.026	62.9%
B Season (40%)	mt	1,058.800			576.015	322.546	898.561	37.1%
Pacific Cod Total	mt	2,647.000	1,402.149	122.877	576.015	322.546	2,423.587	100.0%
<b>Bycatch</b>								
Non Pollock Quota	mt	N/A	41.438		29.180	13.423	84.041	3.47%
BS FG Sablefish	mt	75.640			0.003	0.004	0.007	0.00%
AI FG Sablefish	mt	6.770					0.000	0.00%
BS Sablefish	mt	6.610					0.000	0.00%
AI Sablefish	mt	0.540					0.000	0.00%
WAI Atka Mackerel 543	mt	0.500					0.000	0.00%
CAI Atka Mackerel 542	mt	0.340					0.000	0.00%
EAI/BS Atka Mackerel 541	mt	0.940	0.009		0.027	0.058	0.094	0.00%
Yellowfin Sole	mt	15.270	1.112	2.158	0.915	3.263	7.448	0.31%
Rock Sole	mt	52.000	0.913	0.006	0.216	0.431	1.566	0.06%
BS Greenland Turbot	mt	22.330	0.018		2.309	0.008	2.335	0.10%
AI Greenland Turbot	mt	3.650					0.000	0.00%
Arrowtooth Flounder	mt	51.000	2.011	0.356	18.153	3.650	24.170	1.00%
Flathead Sole	mt	31.600	2.439	0.196	2.966	2.735	8.336	0.34%
Other Flatfish	mt	26.780	0.484	0.065	0.053	0.016	0.618	0.03%
Alaska Plaice	mt	1.000			0.008		0.008	0.00%
BS Pacific Ocean Perch	mt	6.170					0.000	0.00%
WAI Pacific Ocean Perch 543	mt	1.580					0.000	0.00%
CAI Pacific Ocean Perch 542	mt	1.040					0.000	0.00%
EAI Pacific Ocean Perch 541	mt	1.080					0.000	0.00%
Northern Rockfish	mt	0.000	0.122		0.005	0.089	0.216	0.01%
Shortraker Rockfish	mt	0.000					0.000	0.00%
Rougheye Rockfish	mt	0.000	0.005				0.005	0.00%
BS Other Rockfish	mt	2.140	0.005		0.112		0.117	0.00%
AI Other Rockfish	mt	1.660	0.214		0.026	0.074	0.314	0.01%
Other Species	mt	N/A	86.712	12.729	53.115	26.763	179.319	7.40%
<b>PSQ Reserve Category</b>								
Zone 1 Red King Crab	ea	1116				42	42	1.73%
Zone 1 Bairdi Tanner Crab	ea	4900	43		130	17	190	7.84%
Zone 2 Bairdi Tanner Crab	ea	13190					0	0.00%
Opilio Tanner Crab	ea	30476					0	0.00%
Pacific Halibut (mortality)	mt	37.860	2.515	0.474	2.838	3.346	9.173	0.38%
Chinook Salmon	ea	232					0	0.00%
Non-Chinook Salmon	ea	335					0	0.00%



### Bering Sea Sablefish Target Fishery

Bering Sea Sablefish Target Fishery Harvest Activity Third Quarter as of December 31, 2005								
CDQ Reserve Category	Units	Allocation after				YTD Harvest	% of Target	
		transfers	1st Qtr	2nd Qtr	3rd Qtr			
BS FG Sablefish	mt	75.640	0.000	38.578	37.059	0.000	75.637	100.0%
<b>Bycatch</b>								
Non Pollock Quota	mt	N/A					0.000	0.0%
Pacific Cod	mt	2,647.000			0.381		0.381	0.5%
AI FG Sablefish	mt	6.770					0.000	0.0%
BS Sablefish	mt	6.610			4.372		4.372	5.8%
AI Sablefish	mt	0.540					0.000	0.0%
WAI Atka Mackerel 543	mt	0.500					0.000	0.0%
CAI Atka Mackerel 542	mt	0.340					0.000	0.0%
EAI/BS Atka Mackerel 541	mt	0.940					0.000	0.0%
Yellowfin Sole	mt	15.270					0.000	0.0%
Rock Sole	mt	52.000					0.000	0.0%
BS Greenland Turbot	mt	22.330		1.223	1.443		2.666	3.5%
AI Greenland Turbot	mt	3.650					0.000	0.0%
Arrowtooth Flounder	mt	51.000		2.043	1.834		3.877	5.126%
Flathead Sole	mt	31.600		0.001			0.001	0.001%
Other Flatfish	mt	26.780					0.000	0.0%
Alaska Plaice	mt	1.000					0.000	0.0%
BS Pacific Ocean Perch	mt	6.170			0.010		0.010	0.0%
WAI Pacific Ocean Perch 543	mt	1.580					0.000	0.0%
CAI Pacific Ocean Perch 542	mt	1.040					0.000	0.0%
EAI Pacific Ocean Perch 541	mt	1.080					0.000	0.0%
Northern Rockfish	mt	0.000					0.000	0.0%
AI Northern Rockfish	mt	0.000					0.000	0.0%
Shortraker Rockfish	mt	0.000	0.000	0.002			0.002	0.0%
Rougheye Rockfish	mt	0.000		0.005			0.005	0.0%
BS Other Rockfish	mt	2.140			0.003		0.003	0.0%
AI Other Rockfish	mt	1.660					0.000	0.0%
Other Species	mt	N/A					0.000	0.0%
<b>PSQ Reserve Category</b>								
Zone 1 Red King Crab	ea	1116					0	0.0%
Zone 1 Bairdi Tanner Crab	ea	4900					0	0.0%
Zone 2 Bairdi Tanner Crab	ea	13190					0	0.0%
Opilio Tanner Crab	ea	30476					0	0.0%
Pacific Halibut (mortality)	mt	37.860					0.000	0.0%
Chinook Salmon	ea	232.000					0	0.0%
Non-Chinook Salmon	ea	335.000					0	0.0%

### Aleutian Island Sablefish Target Fishery

Aleutian Islands Sablefish Target Fishery Harvest Activity Third Quarter as of December 31, 2005								
CDQ Reserve Category	Units	Allocation after				YTD Harvest	% of Target	
		transfers	1st Qtr	2nd Qtr	3rd Qtr			
AI FG Sablefish*	mt	6.770	6.056				6.056	100.0%
<b>Bycatch</b>								
Non Pollock Quota	mt	N/A					0.000	0.0%
Pacific Cod	mt	2,647.000					0.000	0.0%
BS FG Sablefish	mt	75.640					0.000	0.0%
BS Sablefish	mt	6.610					0.000	0.0%
AI Sablefish	mt	0.540					0.000	0.0%
WAI Atka Mackerel 543	mt	0.500					0.000	0.0%
CAI Atka Mackerel 542	mt	0.340					0.000	0.0%
EAI/BS Atka Mackerel 541	mt	0.940					0.000	0.0%
Yellowfin Sole	mt	15.270					0.000	0.0%
Rock Sole	mt	52.000					0.000	0.0%
BS Greenland Turbot	mt	22.330					0.000	0.0%
AI Greenland Turbot	mt	3.650	2.393				2.393	39.5%
Arrowtooth Flounder	mt	51.000	3.154				3.154	52.1%
Flathead Sole	mt	31.600					0.000	0.0%
Other Flatfish	mt	26.780					0.000	0.0%
Alaska Plaice	mt	1.000					0.000	0.0%
BS Pacific Ocean Perch	mt	6.170					0.000	0.0%
WAI Pacific Ocean Perch 543	mt	1.580					0.000	0.0%
CAI Pacific Ocean Perch 542	mt	1.040					0.000	0.0%
EAI Pacific Ocean Perch 541	mt	1.080					0.000	0.0%
BS Northern Rockfish	mt	0.000					0.000	0.0%
AI Northern Rockfish	mt	0.000					0.000	0.0%
BS Shortraker/Rougheye Rockfish	mt	0.000	0.158				0.158	2.6%
AI Shortraker/Rougheye Rockfish	mt	0.000	0.005				0.005	0.1%
BS Other Rockfish	mt	2.140					0.000	0.0%
AI Other Rockfish	mt	1.660	0.463				0.463	7.6%
Other Species	mt	N/A	0.796				0.796	13.1%
<b>PSQ Reserve Category</b>								
Zone 1 Red King Crab	ea	1,116.000					0	0.0%
Zone 1 Bairdi Tanner Crab	ea	4,900.000					0	0.0%
Zone 2 Bairdi Tanner Crab	ea	13,190.000					0	0.0%
Opilio Tanner Crab	ea	30,476.000					0	0.0%
Pacific Halibut (mortality)	mt	37.860	0.356				0.356	5.9%
Chinook Salmon	ea	232.000					0	0.0%
Non-Chinook Salmon	ea	335.000					0	0.0%

### Halibut Target Fishery

Halibut Harvest Activity Fourth Quarter as of December 31, 2005											
CDQ Reserve Category	Units	Annual Allocation	Transferred In	Transferred Out	Allocation after	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested
4B Halibut	lbs	0			0					0	0.000
4C Halibut	lbs	0			0					0	0.000
4D Halibut	lbs	108,900			108,900			108,900		108,900	100.00%
4E Halibut	lbs	0			0					0	0.000

### Crab Target Fisheries

Crab Harvest Activity Fourth Quarter as of December 31, 2005											
CDQ Reserve Category	Units	Annual Allocation	Transfer In	Transfer Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested
Bering Sea C. <i>Opilio</i> (snow) Tanner crab*	lbs	315,577		315,577	-					0	100.00%
Bering Sea C. <i>Bairdi</i> Tanner crab *	lbs	27,540			27,540					0	
Bristol Bay Red King crab	lbs	329,922			329,922				329,922	329,922	100.00%
Norton Sound Red King crab**	lbs	13,875		13,875	0					0	100.00%
EAI Golden King Crab <sup>3</sup>	lbs	42,000		42,000	0					0	
Pribilof Red & Blue King crab	lbs				0					0	
St Matthew Blue King crab	lbs				0					0	

\* Pooled with BBEDC

\*\* Transferred to NSEDC 12,379 lbs. 89.2% harvested in 2 nd Quarter

3. Pooled with BBEDC and CVRF

4. Harvest spring 2006

### Flatfish/Atka Mackerel CDQ Pool Fisheries to December 31, 2005

#### Flatfish/Atka Mackerel Pool\* December 31, 2005

Species	YTD Catch	Allocation	Percent	Remaining
Pacific Cod	328.213	375.000	87.52%	46.787
BS Trawl Sablefish	0.959	42.140	2.27%	41.181
AI Trawl Sablefish	16.546	21.550	76.78%	5.004
WAI Atka mackerel (543)	818.064	834.500	98.03%	16.436
CAI Atka mackerel (542)	1,470.221	1,487.450	98.84%	17.229
EAI Atka mackerel (541)	294.499	306.350	96.13%	11.851
Yellowfin sole	4,455.604	4,279.000	104.13%	-176.604
Rock sole	1,502.749	1,847.000	81.36%	344.251
BS Greenland turbot	8.272	67.300	12.29%	59.028
AI Greenland turbot	21.505	27.400	78.49%	5.895
Arrowtooth flounder	275.089	349.000	78.82%	73.911
Flathead sole	565.431	694.000	81.47%	128.569
Other flatfish	46.394	115.250	40.25%	68.856
Alaska plaice	64.388	298.500	21.57%	234.112
BS Pacific Ocean Perch (PO)	4.206	51.550	8.16%	47.344
WAI Pacific Ocean Perch (54)	205.633	210.150	97.85%	4.517
CAI Pacific Ocean Perch (54)	118.110	125.200	94.34%	7.090
EAI Pacific Ocean Perch (54)	111.406	126.150	88.31%	14.744
BS Other rockfish	0.882	8.400	10.50%	7.518
AI Other rockfish	3.247	19.600	16.57%	16.353
PSQ Red King crab - Zone 1	0	6,410	0.00%	6,410
PSQ Bairdi Zone 1	0	33,600	0.00%	33,600
PSQ Bairdi Zone 2	96.362	113,000	0.09%	112,904
COBLZ Opilio	0	140,000	0.00%	140,000
PSQ Halibut mortality	45.075	104.66	43.07%	59.585

\*BBEDC, CBSFA, CVRF, YDFDA joint pool 2005

## CDQ Allocation Transfers for Fourth Quarter ending December 31 2005

2005 YDFDA CDQ species transfers for Fourth Quarter 2005													
Species or Species Group	Units	Initial Allocations	Year to Date Transfers		NET Allocation after transfers	Misc Species TO BBEDC	Misc Species FROM BBEDC	Misc Species TO BBEDC	Misc Species FROM BBEDC	Alaska Plaice TO AP/CDA	Yellowfin sole TO AP/CDA	Yellowfin Sole TO BBEDC	Pacific Cod TO BBEDC
			IN	OUT									
BS Pollock	mt	20699.000	276.000	-5032.000	15943.000								
AI Pollock	mt	266.000	266.000	-532.000	0.000								
Pacific Cod	mt	2935.500	5.000	-293.500	2647.000								150
BS FG Sablefish	mt	75.640	0.500	0.000	76.140						5.000	5.000	
AI FG Sablefish	mt	55.020	0.000	-48.250	6.770								
BS Sablefish	mt	20.240	1.000	-13.630	7.610								
AI Sablefish	mt	10.290	0.000	-9.750	0.540								
WAI Atka Mackerel 543	mt	270.000	0.000	-269.500	0.500		9.500						
CAI Atka Mackerel 542	mt	479.340	0.000	-479.000	0.340		17.000						
EAI/BS Atka Mackerel 541	mt	101.240	0.000	-100.300	0.940		6.000						
Yellowfin Sole	mt	1836.270	250.000	-2071.000	15.270			117.000			250.000	250.000	
Rock Sole	mt	715.000	0.000	-663.000	52.000			70.000					
BS Greenland Turbot	mt	40.600	0.000	-18.270	22.330								
AI Greenland Turbot	mt	11.400	0.000	-7.750	3.650								
Arrowtooth Flounder	mt	198.000	0.000	-147.000	51.000								
Flathead Sole	mt	292.600	2.500	-263.500	31.600								
Other Flatfish	mt	68.380	0.000	-41.600	26.780								
Alaska Plaice	mt	84.000	0.000	-83.000	1.000								
BS Pacific Ocean Perch	mt	16.800	0.000	-10.630	6.170					6.000			
WAI Pacific Ocean Perch 543	mt	68.580	0.000	-67.000	1.580		5.000						
CAI Pacific Ocean Perch 542	mt	41.040	0.000	-40.000	1.040		3.000						
EAI Pacific Ocean Perch 541	mt	41.580	0.000	-40.500	1.080		4.500						
Northern Rockfish	mt	N/A	0.000	0.000	0.000								
AI Northern Rockfish	mt	0.000	0.000	0.000	0.000								
Shortraker Rockfish	mt	N/A	0.000	0.000	0.000								
Roughleye Rockfish	mt	N/A	0.000	0.000	0.000								
BS Other Rockfish	mt	6.650	0.000	-4.510	2.140		3.000						
AI Other Rockfish	mt	8.360	0.000	-6.700	1.660		2.500						
Other Species	mt	N/A	0.000	0.000	0.000								
PSQ Reserve Category	mt	N/A	0.000	0.000	0.000								
Zone 1 Red King Crab	ea	3398	0.000	-2282	1116								
Zone 1 Bairdi Tanner Crab	ea	19110	0.000	-14210	4900								
Zone 2 Bairdi Tanner Crab	ea	53460	0.000	-40270	13190								
Opilio Tanner Crab	ea	91106	0.000	-60630	30476								
Pacific Halibut (mortality)	mt	78.66	0.000	-40.800	37.860								
Chinook Salmon	ea	305	0.000	-73	232								
Non-Chinook Salmon	ea	441	0.000	-106	335								
Halibut CDQ	lbs	0	0	0	0								
Halibut 4B	lbs	0	0	0	0								
Halibut 4C	lbs	108900	0	0	108900								
Halibut 4D	lbs	0	0	0	0								
Halibut 4E	lbs	0	0	0	0								
Crab CDQ	lbs	315577	0	-315577	0								
Opilio	lbs	13875	0	-13875	0								
BS Red King Crab	lbs	329922	0	0	329922								
BB Red King Crab	lbs	27540	0	0	27540								
BS Tanner Crab (Bairdi)	lbs	27540	0	0	27540								
St. Mat	lbs	0	0	0	0								

## **B. CDQ Fishing Activities**

**Pollock** –No fishing activity occurred during the 4<sup>th</sup> quarter. The vessels are being prepared for the “A” season in January of 2006

**Pacific Cod** – All contracted vessels in the Open Access Fishery harvested a portion of the CDQ allocation after the close of the open access fishery in December.

**Sablefish** - No activity occurred during the 4<sup>th</sup> quarter as all allocations in the Bering Sea and Aleutian Islands had been harvested.

**Atka Mackerel/Flatfish** - US Seafoods harvested mostly Yellowfin sole, Atka Mackerel, arrowtooth, flathead sole and POP during the 4<sup>th</sup> quarter. Most of their fisheries consisted of open access fishing. No significant amounts of bycatch were encountered.

**Halibut** – There was no activity as 100 % of area 4D was harvested during the 3<sup>rd</sup> quarter.

**Norton Sound Crab** – This fishery closed during the 4<sup>th</sup> quarter. No CDQ fishing occurred after the open access.

**Bristol Bay King Crab**: - The entire allocation was harvested in November and December under the new rationalized fishery at the same time as the IFQ fishery by the Lisa Marie and C/P Baranof.

**Opilio Crab** – There was no activity during the 4<sup>th</sup> quarter

**Bairdi Crab** - A small allocation of this species will be harvested in late winter and early spring of 2006 at the same time as the Opilio fishery.

## **C. Compliance Issues**

There was no compliance issues of which we were aware during this quarter. One vessel received a warning for possible violation of hours of fishing with the use of one observer.

## **D. Other Fishing Issues/Activities**

None